



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

October 7, 2005

Gregory A. Hahn, President
Lisbon Valley Mining Co., LLC
3900 South Wadsworth Boulevard, Suite 495
Lakewood, Colorado 80235

Subject: Approval of Amended Notice of Intention to Commence Small Mining Operations and Approval of Revised Reclamation Contract, Lisbon Valley Mining Co., LLC, Lisbon Valley Copper Mine, M/037/088, San Juan County, Utah

Dear Mr. Hahn:

On June 20, 2005, we received your revised Reclamation Contract and the amendment to resolve issues pertaining to disturbances conducted outside the project boundaries. On September 22, 2005, the Division formally approved the revised reclamation contract. Copies of the signed and executed contract with a copy of the \$3,500,000 surety issued by American Home Assurance Company are enclosed for your files. We will forward a copy of the executed documents to the BLM field and state office and to SITLA for their records.

The Division grants final approval of your amended large mine notice of intention and the reclamation surety for the Lisbon Valley Copper Project Mine. You may commence with your mining operations as outlined provided you have satisfied and received written acceptance from the Bureau of Land Management requirements and School and Institutional Trust Lands Administration requirements.

Thank you for your help in finalizing this permitting action. If you have questions or concerns regarding this letter, please contact me at (801) 538-5258 or Paul Baker at 538-5261. Best wishes with your expanded mining venture.

Sincerely,

Susan M. White
Mine Program Coordinator
Minerals Regulatory Program

SMW:PBB:jb

Enclosure: Copy of 6/20/2005 RC & 11/12/2004 surety forms

cc: BLM, (UTU-72499) w/Encl

Opie Abeyta, BLM State Office, w/Encl

Will Stokes, SITLA (ML 17661 & ML 20569) w/Enl

O:\M037-SanJuan\M0370088-LisbonValley-Summo\Final\apvl-amend&RC.doc

FORM MR-RC
Revised September 2, 2003
RECLAMATION CONTRACT

File Number M/037/088
Effective Date Sept 22, 2005
Other Agency File Number UTU-72499
ML 17661 ML 20569

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5291
Fax: (801) 359-3940



RECEIVED

JUN 20 2005

DIV OF OIL GAS & MINING

RECLAMATION CONTRACT

---ooOoo---

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.) (Mineral Mined)	M/037/088 Copper
"MINE LOCATION": (Name of Mine) (Description)	Lisbon Valley Copper Project 18 miles south of La Sal, San Juan County, Utah
"DISTURBED AREA": (Disturbed Acres) (Legal Description)	395 Acres * <u>(refer to Attachment "A")</u>
"OPERATOR": (Company or Name) (Address) (Phone)	Lisbon Valley Mining Co. LLC By: Summo USA Corporation, Manager 3900 S. Wadsworth Blvd. Suite 495 Lakewood, CO 80235 720-228-0055

"OPERATOR'S REGISTERED AGENT":

Name)

(Address)

(Phone)

CT Corporation
50 West Broadway, 8th Floor
Salt Lake City, Utah 84104
801-531-7090

"OPERATOR'S OFFICER(S)":

Gregory A. Hahn, President
John Labate, V.P. & CFO
Summo USA Corporation

COPY

SURETY":

(Form of Surety – Surety Bond)

#1 – Surety Bond (\$3,500,000)

"SURETY COMPANY":

Policy or Acct. No.)

#1, America Home Assurance Company
(Bond # ESD)

"SURETY AMOUNT":

(Escalated Dollars)

\$3,437,200

"ESCALATION YEAR":

2009

"STATE":

"DIVISION":

"BOARD":

State of Utah

Division of Oil, Gas and Mining

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Lisbon Valley Mining Company, LLC the "Operator" and the Utah State Division of Oil, Gas and Mining (A Division).

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/037/088 which has been approved/accepted by the Utah State Division of Oil, Gas and Mining under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved/accepted

Reclamation Plan or Notice, and Operator is obligated to provide surety in form and amount approved by the Division, to assure reclamation of the Disturbed Area.



NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the original Notice of Intent dated August 1995 and the original Reclamation Plan dated August 1995. The Notice of Intention and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Division. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Division in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Division. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may

request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the Division that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The Division shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

COPY

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.

14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

COPY

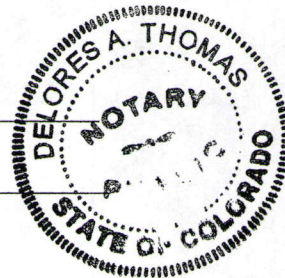
COPY

By: Gregory A. Hahn, President

17
JUNE 16, 2005 GAT

On the 17 day of June, 2005, Gregory A. Hahn personally appeared before me, who being by me duly sworn did say that he is the President of Summo USA Corporation, Manager of Lisbon Valley Mining Co. LLC and duly acknowledged that said instrument was signed on behalf of said company by authority of its bylaws or a resolution of the board of directors and said Gregory A. Hahn duly acknowledged to me that said company executed the same.

8027



11-20-08
My Commission Expires:

DIV. OF OIL, GAS & MINING

DIVISION OF OIL, GAS AND MINING:

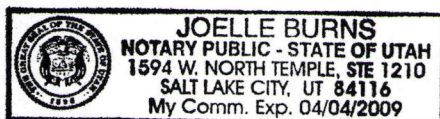


By John R. Baza
John R. Baza, Director

Date 9/22/05

STATE OF Utah)
COUNTY OF Salt Lake) ss:

On the 22nd day of September, 2005, John R. Baza
personally appeared before me, who being duly sworn did say that he, the said
John R. Baza is the Director of the Division of Oil, Gas and Mining,
Department of Natural Resources, State of Utah, and he duly acknowledged to me that
he executed the foregoing document by authority of law on behalf of the State of Utah.



Joelle Burns
Notary Public
Residing at: SLC Utah

April 4, 2009
My Commission Expires:

ATTACHMENT "A"



Lisbon Valley Mining Co. LLC
Summo USA Corporation, Manager
(Operator)

Lisbon Valley Copper Project
(Mine Name)

M/037/088
(Permit Number)

San Juan County, Utah

The legal description of the lands to be disturbed is:

The total proposed and approved project disturbance is 1048 acres. Summo USA Corporation is proposing to initially bond for the "Existing and Remaining 2005 Disturbance Area" depicted on Attachment C1.

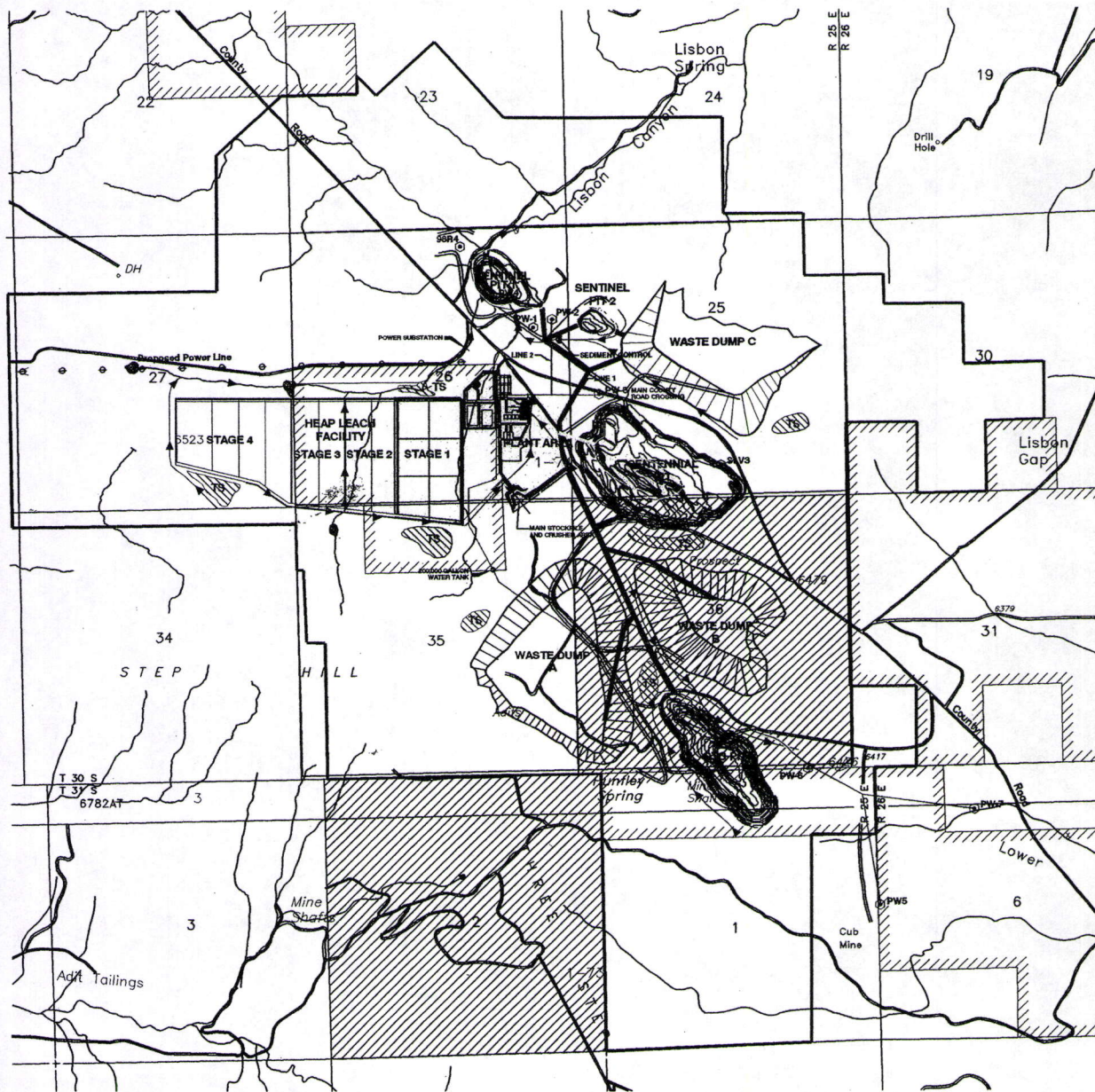
The initial Reclamation Bond Amount of \$3,500,000 is intended to cover in excess of 395 acres. Existing disturbance plus proposed facilities/construction activities for the remainder of 2005 total approximately 345.79 Acres.

Before additional activities at the project occur, Summo will post the appropriate (agreed upon) additional bond necessary for the activity.

All proposed activities are located in all or parts of:

Sections 22,23,24,25,26,27,34,35,& 36. Township 30 South, Range 25 East
Section 1. Township 31 South, Range 25 East
Sections 30 & 31. Township 30 South, Range 26 East
Section 6. Township 31 South, Range 26 East

COPY



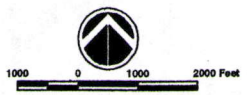
Legend

- Disturbance Area
- Project Boundary
- Haul Road
- Storm Water Diversion
- Fee Land (Private)
- State Land (SITLA)
- Bureau of Land Management (BLM)

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REV OF 7-2-2005 to 6-15-2005



EXISTING AND REMAINING
2005 DISTURBANCE AREA
Lisbon Valley Project
June 15, 2005

ATTACHMENT C

ATTACHMENT C
Robert V. [Signature]

ATTACHMENT B

FORM MR-6
Joint Agency Surety Form
(September 2, 2003)

Bond Number ESI
Permit Number M/037/088
Mine Name Lisbon Valley Copper Project
Other Agency File Number UTU-72499 ML-17661 ML-20569

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas and Mining
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940



THE MINED LAND RECLAMATION ACT

SURETY BOND

The undersigned Lisbon Valley Mining Co., LLC, as Principal, and
American Home Assurance Company, as Surety, hereby jointly and
severally bind ourselves, our heirs, administrators, executors, successors, and assigns, jointly and
severally, unto the State of Utah, Division of Oil, Gas and Mining (Division) and the
US Department of the Interior - Bureau of Land Management, in the penal sum of
Three Million Five Hundred Thousand and no/100 dollars (\$ 3,500,000).

Principal has estimated in the Mining and Reclamation Plan or Notice approved or
accepted by the Division of Oil, Gas and Mining on the 8 day of January, ~~XX~~ 1998,
that 395 acres of land will be disturbed by mining operation in the State of Utah.

A description of the disturbed land is attached as "Attachment A" to the
Reclamation Contract, of which this document is an integral part.

The condition of this obligation is that if the Division determines that Principal has
satisfactorily reclaimed the disturbed lands in accordance with the approved / accepted Mining
and Reclamation Plan or Notice and has faithfully performed all requirements of the Mined Land
Reclamation Act, and complied with the Rules and Regulations adopted in accordance therewith,
then this obligation shall be void; otherwise it shall remain in full force and effect.

If the Mining and Reclamation Plan or Notice provides for periodic partial reclamation of
the disturbed lands, and if the lands are reclaimed in accordance with such Plan, Notice, Act and
regulations, then Principal may apply for a reduction in the amount of this Surety Bond.

In the converse, if the Mining and Reclamation Plan or Notice provides for a gradual
increase in the area disturbed or the extent of disturbance, then, the Division may require that the
amount of this Surety Bond be increased, with the written approval of the Surety.

This bond may be canceled by Surety after ninety (90) days following receipt by the
Division and Principal of written notice of such cancellation. Surety's liability shall then, at the

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DIV. OF OIL, GAS & MINING

Page 2
MR-6 Joint Agency Surety Bond
Attachment B
(revised September 2, 2003)

Bond Number _____
Permit Number M/037/088
Mine Name Lisbon Valley Copper Project
Other Agency File Number UTU-72499 ML-17661 ML-20569

expiration of said ninety (90) days, cease and terminate except that Surety will remain fully liable for all reclamation obligations of the Principal incurred prior to the date of termination.

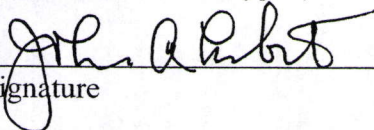
Principal and Surety and their successors and assigns agree to guarantee said obligation and to indemnify, defend, and hold harmless the Division from any and all expenses (including attorney fees) which the Division may sustain in the collection of sums due hereunder.

Surety will give prompt notice to Principal and to the Division of the filing of any petition or the commencement of any proceeding relating to the bankruptcy, insolvency, reorganization, or adjustment of the debts of Surety, or alleging any violation or regulatory requirements which could result in suspension or revocation of the Surety's license to do business.

IN WITNESS WHEREOF, the Principal and Surety hereunto set their signatures and seals as of the dates set forth below.

Lisbon Valley Mining Co., LLC by Summo USA Corporation, Manager
Principal (Permittee)

John A. Labate, CFO, Summo USA Corporation, Manager
By (Name and Title typed):


Signature

November 9, 2004
Date

Surety Company

American Home Assurance Company
Surety Company Name

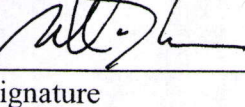
1700 Market Street, Suite 1800
Street Address

Michael E. Herrmann
Surety Company Officer

Philadelphia, PA 19103 Attn: Robert Staples
City, State, Zip

Attorney-in-Fact
Title/Position

215-255-6186
Phone Number


Signature

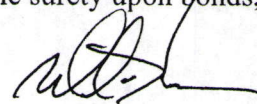
November 9, 2004
Date

COPY

AFFIDAVIT OF QUALIFICATION

COPY

On the 9th day of November, 20 04, Michael E. Herrmann
personally appeared before me, who being by me duly sworn did say that he/she, the said
Michael E. Herrmann is the Attorney - in - Fact of
American Home Assurance Company and duly acknowledged that said instrument was
signed on behalf of said company by authority of its bylaws or a resolution of its board of
directors and said Michael E. Herrmann duly acknowledged to me that said
company executed the same, and that he/she is duly authorized to execute and deliver the
foregoing obligations; that said Surety is authorized to execute the same and has complied in all
respects with the laws of Utah in reference to becoming sole surety upon bonds, undertaking and
obligations.

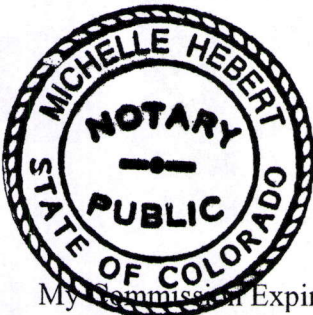


Signed: Michael E. Herrmann
Surety Officer

Title: Attorney-in-Fact

STATE OF Colorado)
COUNTY OF Denver) ss:

Subscribed and sworn to before me this 9 day of November, 20 04.



My Commission Expires:

March 18, 2007

Michelle Hebert
Notary Public
Residing at: Lakewood, CO

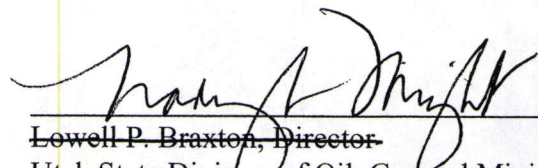
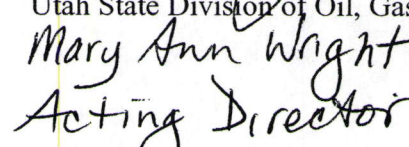
Page 3
MR-6 Joint Agency Surety Bond
Attachment B
(revised September 2, 2003)

Bond Number ES
Permit Number M/037/088
Mine Name Lisbon Valley Copper Project
Other Agency File Number UTU-72499 ML-17661 ML-20569

SO AGREED this 12th day of November, 20 04.



AND APPROVED AS TO FORM AND AMOUNT OF SURETY:


~~Lowell P. Braxton, Director~~
Utah State Division of Oil, Gas and Mining

Acting Director

*NOTE: Where one signs by virtue of Power of Attorney for a Surety, such Power of Attorney must be filed with this bond. If the Operator is a corporation, the bond shall be executed by its duly authorized officer.



KNOW ALL MEN BY THESE PRESENTS:

That American Home Assurance Company, a New York corporation, and National Union Fire Insurance Company of Pittsburgh, Pa., a Pennsylvania corporation, does each hereby appoint

---Michael E. Herrmann: of Denver, Colorado---

its true and lawful Attorney(s)-in-Fact, with full authority to execute on its behalf bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, issued in the course of its business, and to bind the respective company thereby.

IN WITNESS WHEREOF, American Home Assurance Company and National Union Fire Insurance Company of Pittsburgh, Pa. have each executed these presents



this 23rd day of August, 2004.

Peter A. Scarpato, Vice President

STATE OF NEW YORK }
COUNTY OF NEW YORK }ss.

On this 23rd day of August, 2004, before me came the above-named officer of American Home Assurance Company and National Union Fire Insurance Company of Pittsburgh, Pa., to me personally known to be the individual and officer described herein, and acknowledged that he executed the foregoing instrument and affixed the seals of said corporations thereto by authority of his office.

JOSEPH B. NOZZOLIO
Notary Public, State of New York
No. 01-NO4652754
Qualified in Westchester County
Term Expires Jan. 31, 2006

CERTIFICATE

Excerpts of Resolutions adopted by the Boards of Directors of American Home Assurance Company and National Union Fire Insurance Company of Pittsburgh, Pa. on May 18, 1976:

"RESOLVED, that the Chairman of the Board, the President, or any Vice President be, and hereby is, authorized to appoint Attorneys-in-Fact to represent and act for and on behalf of the Company to execute bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, and to attach thereto the corporate seal of the Company, in the transaction of its surety business;

"RESOLVED, that the signatures and attestations of such officers and the seal of the Company may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company when so affixed with respect to any bond, undertaking, recognizance or other contract of indemnity or writing obligatory in the nature thereof;

"RESOLVED, that any such Attorney-in-Fact delivering a secretarial certification that the foregoing resolutions still be in effect may insert in such certification the date thereof, said date to be not later than the date of delivery thereof by such Attorney-in-Fact."

I, Elizabeth M. Tuck, Secretary of American Home Assurance Company and of National Union Fire Insurance Company of Pittsburgh, Pa. do hereby certify that the foregoing excerpts of Resolutions adopted by the Boards of Directors of these corporations, and the Powers of Attorney issued pursuant thereto, are true and correct, and that both the Resolutions and the Powers of Attorney are in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of each corporation

this 9th day of November, 2004.

Elizabeth M. Tuck, Secretary

